



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tim Mooney
Senior Counsel
Citizens for Responsibility and Ethics in
Washington
1400 Eye St, Northwest #450
Washington, DC 20005

APR - 2 2009

RE: MUR 5749
GSP Consulting Corporation
GSP Consulting Corporation PAC and
Aaron Grau in his official capacity as
treasurer
Houston Harbaugh Legislative Services
PAC and Gregory Harbaugh, in his official
capacity as treasurer
John Dick
Joseph Kuklis
Charles Hammel
Santorum 2006 and Gregg R.
Melinson, in his official capacity as
treasurer
Sean McDonald
James Ciminio
Pittsburgh Airport Area Chamber of
Commerce

Dear Mr. Mooney:

This is in reference to the complaint you filed with the Federal Election Commission on May 16, 2006, concerning GSP Consulting Corporation ("GSP"), GSP Consulting Corporation PAC and Aaron Grau, in his official capacity as treasurer ("GSP PAC"), Houston Harbaugh Legislative Services PAC and Gregory Harbaugh, in his official capacity as treasurer ("HHLs PAC"), John Dick, Joseph Kuklis, Charles Hammel, Santorum 2006 and Gregg R. Melinson, in his official capacity as treasurer ("Santorum 2006"), Sean McDonald, James Ciminio, and the Pittsburgh Airport Area Chamber of Commerce ("PAACC"). The Commission found that there

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Mr. Tim Mooney, Esq.

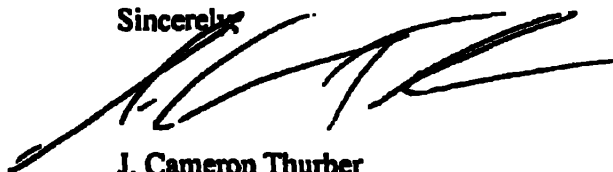
Page 2

was reason to believe that: GSP violated 2 U.S.C. §§ 441b(a) and 441b(b)(4)(A)(i); GSP PAC violated 2 U.S.C. §§ 433(b)(2), 441a(a)(1)(A), 441a(f), and 441b(b)(4)(A)(i); John Dick violated 2 U.S.C. §§ 441a(a)(1)(C) and 441b(a); Joseph Kuklis violated 2 U.S.C. §§ 441a(a)(1)(C) and 441b(a); and Charles Hammel violated 2 U.S.C. § 441a(a)(1)(C), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On March 12, 2009, a conciliation agreement signed by these respondents was accepted by the Commission. Additionally, the Commission found that there was no reason to believe that Santorum 2006, Sean McDonald, James Ciminio and the PAACC violated the Act, and took no further action as to HHLS PAC, which was terminated prior to the complaint being filed. Accordingly, the Commission closed the file in this matter on March 12, 2009.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Copies of the agreement with GSP, GSP PAC, John Dick, Joseph Kuklis and Charles Hammel, and Factual and Legal Analyses for Santorum 2006, HHLS PAC, Sean McDonald, James Ciminio and the PAACC are enclosed for your information.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,



J. Cameron Thurber
Attorney

Enclosures

Conciliation Agreement

Factual and Legal Analysis for Santorum 2006 and Gregg R. Melinson, in his official capacity as treasurer

Factual and Legal Analysis for Houston Harbaugh Legislative Services PAC and Gregory Harbaugh, in his official capacity as treasurer

Factual and Legal Analysis for Sean McDonald

Factual and Legal Analysis for James Ciminio

Factual and Legal Analysis for the Pittsburgh Airport Area Chamber of Commerce

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In the Matter of

GSP Consulting Corporation

GSP Consulting Corporation PAC and Aaron Grau

in his official capacity as treasurer

John Dick

Joseph Kuklis

Charles Hammel

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn and notarized complaint filed by the

Center for Responsibility and Ethics in Washington. The Federal Election Commission

("Commission") found reason to believe that GSP Consulting Corporation ("GSP")

violated 2 U.S.C. § 441b, GSP Consulting Corporation PAC and Aaron Grau, in his

official capacity as treasurer, ("GSP PAC"), violated 2 U.S.C. §§ 433(b)(2).

~~441a(a)(1)(A), 441a(f) and 441b(b)(4)(A)(i), Joseph Kuklis and John Dick violated~~

2 U.S.C. §§ 441a(a)(1)(C) and 441b(a), and Charles Hammel (collectively

"Respondents") violated 2 U.S.C. § 441a(a)(1)(C).

NOW, THEREFORE, the Commission and the Respondents, having participated

in informal methods of conciliation, prior to a finding of probable cause to believe, do

hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject

matter of this proceeding, and this agreement has the effect of an agreement entered

pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no

action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. GSP is a Pennsylvania corporation. GSP PAC is a "political committee" within the meaning of 2 U.S.C. § 431(4)(B) and 11 C.F.R. § 100.5 and is a "separate segregated fund" ("SSF") of GSP within the meaning of 2 U.S.C. § 441b(b) and 11 C.F.R. § 114.5.

2. John Dick was treasurer of GSP PAC at the time the violations described herein occurred. Aaron Grau became treasurer of GSP PAC on June 6, 2007, after the violations described herein occurred and is named herein only in his official capacity.

3. The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions or expenditures in connection with a federal election and facilitating contributions by soliciting earmarked contributions that are to be collected and forwarded by a corporation's SSF unless they are treated as contributions to and from the SSF, which limits such solicitations to its stockholders and executive or administrative personnel and their respective families (the "restricted class"), and prohibits corporate officers from consenting to such facilitation. 2 U.S.C. §§ 441b(a), 441b(b); 11 C.F.R. §§ 114.1, 114.2, 114.5(g). The Act also prohibits corporations from soliciting contributions to their SSFs from outside the restricted class. 2 U.S.C. § 441b(b); 11 C.F.R. §§ 114.2, 114.5(g).

4. The Act requires affiliated committees to report their affiliation on their statements of organization and imposes a single contribution limit on affiliated committees. 2 U.S.C. §§ 433(b)(2) and (c), 441a(a)(5); 11 C.F.R. §§ 100.5, 110.3. Commission regulations provide for an examination of various factors in the context of

1 an overall relationship to determine whether one company is an affiliate of another and
2 thus whether their respective SSFs are affiliated with each other. 11 CFR
3 §§ 100.5(g)(4)(i) and (ii)(A)-(J), 110.3(a)(3)(i) and (ii)(A)-(J).

4 5. The Act prohibits persons from making contributions in excess of
5 \$5,000 to SSFs, prohibits SSFs from accepting such excessive contributions, and
6 prohibits excessive contributions to an authorized candidate committee. 2 U.S.C.
7 §§ 441a(a)(1)(A), 441a(a)(1)(C), 441a(f).

8 6. In August 2004, in connection with a fundraiser for Congressman Tim
9 Murphy sponsored by GSP PAC, Joseph Kuklis, a GSP principal with no official position
10 with GSP PAC, sent an email to GSP employees stating, "We are hosting a breakfast
11 fundraiser for Congressman Murphy....There is no set tix price, but I am asking us to
12 raise anywhere between \$199-250 per person. Our min goal for the event is \$3k." The
13 email then requests the GSP employee recipients to "give some thought on who we can
14 call to raise some \$\$ for Murphy," and includes a list of 17 "clients who should have an
15 interest in supporting Murphy."

16 7. Mr. Kuklis also sent invitations soliciting contributions for the Murphy
17 fundraiser to persons outside GSP's restricted class. The email invitations state:

18 GSP would like you to join us for breakfast with Congressman Tim
19 Murphy on August 23, 2004 at 8:00 AM in the Grand Concourse
20 Restaurant. Congressman Murphy has served western Pennsylvania for
21 nearly a decade in the State Senate and the United States House of
22 Representatives. Throughout those years he has been an advocate for
23 business and economic development in the in the region, and his
24 leadership is essential to the growth of the area. We hope you support him
25 in this upcoming election, and we are asking you to contribute \$250 to this
26 cause. If you can attend, please RSVP to Jonathan Fasson [at a GSP
27 phone number]. We hope to see you on the 23rd. Regards, Joe
28

8. Within a few days of the Murphy fundraiser, GSP PAC forwarded ten earmarked contributions totaling \$2,300 it had collected to the Murphy Committee. Nine of the earmarked contributions came from outside the restricted class. Mr. Kuklis incorrectly paid the venue for the cost of the fundraiser with his GSP corporate credit card, and GSP PAC reimbursed him on the same day.

9. Amy Ross Kaminski, a GSP principal and GSP PAC's assistant treasurer, sent a solicitation letter, dated October 28, 2005, to seven individuals outside GSP's restricted class, all associated with GSP clients. The letter read:

GSP Consulting established a political action committee (PAC) several years ago to ensure that the concerns of our clients are heard by our legislators. Working to elect those candidates who recognize that our client's issues are important is a top priority for GSP. GSP Consulting Corp PAC collects contributions from executive and administrative employees and PACs of its clients and contributes the money to candidates it believes supports [sic] our client's interests.

I hope that you believe in the importance of supporting candidates who support our interests. To that end, I'd like to ask you to make a voluntary contribution to the GSP Consulting Corp PAC. A contribution of as little as \$500 would be a tremendous help in creating a successful PAC, but you are free to contribute as much or as little as you like. You are also free to refuse to contribute to the PAC and your status as a GSP client will not be affected as a result.

Corporate contributions to the PAC are prohibited so if you would like to contribute, please do so with a personal or PAC check. For your convenience, I have included a reply card along with a self-addressed stamped envelope.

Please feel free to contact me with any questions. Thank you for working with GSP and for your time and attention to this request.

Sincerely,
Amy Ross [Kaminski]
Principal

Charles Hammel, a corporate officer for a GSP client, received this letter and responded with a \$15,000 contribution, which was excessive, to GSP PAC. GSP PAC has refunded Mr. Hammel's contribution.

10. In connection with 2005 fundraisers for three campaign committees and a leadership PAC, none of which GSP or GSP PAC sponsored, and a 2005 fundraiser for a Senate campaign committee, co-sponsored by GSP PAC, GSP principals and a consultant solicited contributions on behalf of GSP from client personnel and others outside the restricted class.

11. In October 2002, GSP entered into a joint venture with a law firm to establish Houston Harbaugh Legislative Services ("HHLS"), a Pennsylvania LLC, and another SSF was established for this entity, Houston Harbaugh Legislative Services PAC and Gregory Harbaugh, in his official capacity as treasurer, ("HHLS PAC"), in November 2004. HHLS PAC was terminated in March 2006 after GSP had acquired all interest in HHLS. Prior to March 2006, GSP and HHLS and their respective SSFs were affiliated because:

- 1) GSP had an active and significant role in the formation of HHLS, a joint venture between GSP and a law firm, and GSP provided most or all operational services for HHLS at start-up. See 11 C.F.R. §§ 100.5(g)(4)(ii)(I) and 110.3(a)(3)(ii)(I).
- 2) GSP had the authority to participate in the governance of HHLS. The operating agreement of HHLS gave GSP 50% ownership of the company and the Houston Harbaugh law firm 50% ownership. Each owner appointed two members to the board of managers, who had equal votes in the management of HHLS. See 11 C.F.R. §§ 100.5(g)(4)(ii)(B) and 110.3(a)(3)(ii)(B).
- 3) GSP and HHLS had common or overlapping officers and employees that were both simultaneously and subsequently affiliated with both entities. Kuklis and Dick were simultaneously principals of GSP and on the board of managers at HHLS, and Kuklis ran the day-to-day operations of HHLS at the company's start-up. Shawn Good was an employee of HHLS before moving to GSP, and Kate Wayman was a GSP employee before moving to HHLS. See 11 C.F.R. §§ 100.5(g)(4)(ii)(E) and 110.3(a)(3)(ii)(E).
- 4) GSP provided in-kind funding to HHLS through the work of its employees and operational contributions. See 11 C.F.R. §§ 100.5(g)(4)(ii)(G) and 110.3(a)(3)(ii)(G).

Neither GSP PAC nor HHLS PAC disclosed their affiliation on their statements of organization or by filing amended statements of organization.

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1 12. Affiliated SSFs are subject to a single joint contribution limit. 2 U.S.C.
2 § 441a(a)(5); 11 C.F.R. §§ 100.5(g)(3); 110.3(a)(1). Because neither PAC had qualified as a
3 multi-candidate PAC, each was limited to contributing \$2,100 rather than the \$5,000 permitted to
4 multi-candidate PACs. As a result, the two PACs together were limited to contributing a
5 combined total of \$4,200 rather than the \$10,000 that two affiliated multi-candidate PACs could
6 have contributed to a Senate candidate for the 2006 primary and general elections. GSP PAC
7 contributed a total of \$4,100 to Santorum 2006, and HHLS PAC contributed a total of \$1,500 to
8 Santorum 2006. The combined GSP PAC and HHLS PAC contribution to Santorum 2006
9 totaled \$5,600, which because of their affiliation was \$1,400 over the limit. 2 U.S.C.
10 §§ 441a(a)(1)(A), 441a(c). The excessive contribution has been refunded.

11 13. In 2005, John Dick, Joseph Kuklis, and Charles Hammel contributed
12 \$14,000, \$11,800, and \$15,000, respectively, to GSP PAC. On January 3, 2005, Mr.
13 Dick and Mr. Kuklis each contributed \$1,500 to HHLS PAC, an entity affiliated with
14 GSP PAC. Accordingly, Mr. Dick exceeded the \$5,000 contribution limit by \$10,500,
15 Mr. Kuklis by \$8,300, and Mr. Hammel by \$10,000. GSP PAC has refunded the
16 excessive amounts.

17 14. Respondents contend the following:

18 A. On April 16, 2005, GSP, on the advice of its accountant,
19 changed banks and, in the process, merged the bank account of GSP PAC with that of its
20 state political action committee (the "state PAC"). There are no restrictions on individual
21 contributions to Pennsylvania state political action committees or soliciting contributions
22 from potential donors. 25 Pa. Stat. Ann. § 3241 *et seq.* Respondents were unaware of
23 federal laws prohibiting the comingling of state and federal funds and mistakenly

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1 believed that solicitations by, and contributions to, GSP PAC in connection with
2 Pennsylvania state races were still subject to Pennsylvania law rather than the more
3 restrictive requirements of 2 U.S.C. §§ 441a(a)(1)(C), 441a(f), and 441b(b)(4)(A)(i).
4 From April 16, 2005 through January 16, 2006, the single account was used until GSP
5 PAC's assistant treasurer discovered excessive contributions by Mr. Kuklis, Mr. Dick and
6 Mr. Hammel, which arose from the use of a single bank account, while preparing the
7 2005 Year-End Report. These excessive contributions were disclosed in GSP PAC's 2005
8 Year-End Report. As funds became available, GSP PAC issued refund checks in the
9 amounts of the excessive contributions to Mr. Dick, Mr. Kuklis and Mr. Hammel before
10 the complaint was filed. GSP PAC also re-registered the state PAC with the Pennsylvania
11 Secretary of State and, on January 27, 2006, GSP PAC and the state PAC reopened
12 separate federal and state bank accounts.

13 B. In March 2006, GSP PAC personnel were alerted by a reporter
14 that GSP PAC had apparently violated 2 U.S.C. 441b(b)(4)(A)(i) by soliciting a
15 contribution to GSP PAC from Mr. Hammel, who was not a member of GSP's restricted
16 class. On March 2, 2006, GSP PAC issued a refund check to Mr. Hammel for the
17 remaining amount, which was below the excessive contribution level, making for a full
18 refund of Mr. Hammel's contribution.

19 C. Respondents contend they intended the Murphy fundraiser to
20 be sponsored by GSP PAC, and did not intend to engage in corporate facilitation.
21 However, because the internal communications and invitations did not make this
22 intention as clear as it should have been, and for the purposes of settlement only,
23 Respondents agree to Paragraph V.2.

V. 1. GSP Consulting Corporation solicited contributions outside of its restricted class, in violation of 2 U.S.C. § 441b(b). GSP Consulting Corporation will cease and desist from violating 2 U.S.C. § 441b(b).

2. Respondents will not further dispute the Commission's conclusion that GSP facilitated corporate contributions and that GSP Consulting Corporation facilitated corporate contributions by soliciting earmarked contributions that were collected and forwarded by GSP Consulting Corporation PAC, in violation of 2 U.S.C. § 441b(a). Joseph Kuklis consented to the corporate facilitation of corporate contributions, in violation of 2 U.S.C. § 441b(a). GSP Consulting Corporation and Joseph Kuklis will cease and desist from violating 2 U.S.C. § 441b(a).

3. GSP Consulting Corporation PAC and Aaron Grau, in his official capacity as treasurer, failed to report its affiliation with Houston Harbaugh Legislative Services PAC and Gregory Harbaugh, in his official capacity as treasurer, in violation of 2 U.S.C. § 433(b)(2). GSP Consulting Corporation PAC and Aaron Grau, in his official capacity as treasurer, will cease and desist from violating 2 U.S.C. § 433(b)(2).

4. John Dick, Joseph Kuklis and Charles Hammel made excessive contributions, in violation of 2 U.S.C. § 441a(a)(1)(C), and GSP Consulting Corporation PAC and Aaron Grau, in his official capacity as treasurer, knowingly accepted excessive contributions, in violation 2 U.S.C. § 441a(f). John Dick, Joseph Kuklis and Charles Hammel will cease and desist from violating 2 U.S.C. § 441a(a)(1)(C), and GSP Consulting Corporation PAC and Aaron Grau, in his official capacity as treasurer, will cease and desist from violating 2 U.S.C. § 441a(f).

**MUR 5749
Conciliation Agreement**

1 **VI Respondents will pay a civil penalty to the Federal Election Commission**
2 **in the amount of Twenty Six Thousand Dollars (\$26,000), pursuant to 2 U.S.C.**
3 **§ 437g(a)(5)(A).**

4 **VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.**
5 **§ 437g(a)(1) concerning the matters at issue herein or on its own motion, may review**
6 **compliance with this agreement. If the Commission believes that this agreement or any**
7 **requirement thereof has been violated, it may institute a civil action for relief in the**
8 **United States District Court for the District of Columbia.**

9 **VIII. This agreement shall become effective as of the date that all parties hereto**
10 **have executed same and the Commission has approved the entire agreement.**

11 **IX. Respondents shall have no more than 30 days from the date this agreement**
12 **becomes effective to comply with and implement the requirement contained in this**
13 **agreement and to so notify the Commission.**

MUR 5749
Conciliation Agreement

1 X. This Conciliation Agreement constitutes the entire agreement between the
2 parties on the matters raised herein, and no other statement, promise, or agreement, either
3 written or oral, made by either party or by agents of either party, that is not contained in
4 this written agreement shall be enforceable.

5 FOR THE COMMISSION:

6 Thomasenia P. Duncan
7 General Counsel


11 BY:



12 Ann Marie Terzaken
13 Associate General Counsel
14 For Enforcement

4/1/09
Date

16 FOR THE RESPONDENTS:

19 
20 (Name) Amy L. Kaminski
21 (Position) Principal & CFO
22

2/10/09
Date

1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4
5 **RESPONDENT:** Santorum 2006 and Gregg R. Melinson, **MUR: 5749**
6 in his official capacity as treasurer
7

8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed with the Federal Election Commission
10 (“Commission”) by the Center for Responsibility and Ethics in Washington. *See* 2 U.S.C.
11 § 437g(a)(1). For the reasons set forth below, the Commission finds no reason to believe that
12 Santorum 2006 and Gregg R. Melinson, in his official capacity as treasurer (“Santorum 2006”),
13 violated 2 U.S.C. § 441a(f) by knowingly accepting an excessive contribution, and closes the file
14 as to Santorum 2006.

15 **II. DISCUSSION**

16 **A. Excessive Contribution to Santorum 2006 by GSP PAC and HHLS PAC**

17
18 **1. Facts**

19 Houston Harbaugh Legislative Services (“HHLS”), a limited liability company, was
20 formed as a joint venture between GSP Consulting Corporation (“GSP”) and the Houston
21 Harbaugh law firm, both Pennsylvania corporations, in October 2002; Houston Harbaugh
22 Legislative Services PAC (“HHLS PAC”) was its separate segregated fund (“SSF”). Joint
23 Response at 8-9.¹ GSP had its own SSF, GSP Consulting Corporation PAC (“GSP PAC”). GSP
24 assumed the entire interest of HHLS on December 21, 2005. Joint Response at 9 n.2. HHLS
25 PAC’s Statements of Organization did not disclose any affiliation with GSP or GSP PAC, and

¹ The Joint Response to the complaint was filed on behalf of GSP, GSP PAC, and others.

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1 GSP PAC's Statements of Organization likewise did not reflect any affiliation with HHLS or
2 HHLS PAC.

3 GSP PAC admits, and its disclosure reports show, that it contributed a total of \$4,100 to
4 Santorum 2006 (\$2,000 designated to the primary election, \$2,000 designated to the general
5 election and a \$100 in-kind contribution). Joint Response at 10 n.3. HHLS PAC also admits,
6 and its disclosure reports show, that it contributed a total of \$1,500 in undesignated contributions
7 to Santorum 2006. Joint Response at 10 n.3. Thus, the combined contributions to Santorum
8 2006 from GSP PAC and HHLS PAC total \$5,600.

9 2. Analysis

10 A committee must disclose its affiliated committee's or connected organization's name,
11 address and relationship on its Statement of Organization. 2 U.S.C. § 433(b)(2). "Assuming
12 without conceding that GSP PAC and HHLS PAC qualify as affiliated committees," both admit
13 that they did not notify the Commission of their "putative affiliated status." Joint Response at 12.

14 Affiliated committees include SSFs established, financed, maintained or controlled by the
15 same corporation, person or group of persons, including any parent, subsidiary, branch, division,
16 department or local unit thereof. 11 C.F.R. § 100.5(g)(2). Committees also may be affiliated if
17 certain other factors are met. *See* 11 C.F.R. §§ 110.3(a)(2)-(3).

18 Affiliated committees are subject to the contribution limits that apply to a single
19 committee under 2 U.S.C. § 441a(a)(1). 2 U.S.C. § 441a(a)(5). In 2005, the PAC contribution
20 limit was \$2,100 per election, making \$4,200 the total contribution limit from affiliated
21 committees to a Senate candidate for the 2006 primary and general elections. *See* 2 U.S.C.
22 § 441a(c). The two PACs admit that if they were affiliated, they "together contributed in excess

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1 of the maximum amount permitted by 2 U.S.C. § 441a(a)(1) and 11 C.F.R. § 110.1(a) to
2 Santorum 2006” by a combined total of \$1,400. Joint Response at 12.

3 Political committees may not knowingly accept contributions in excess of the limits set
4 forth in 2 U.S.C. § 441a(a)(1). In response to the complaint, Santorum 2006 claimed that at the
5 time it accepted the contributions, it did not know the GSP PAC and HHLS PAC were affiliated
6 and noted that once it became aware of the putative affiliation and prior to the complaint being
7 filed, it returned the \$1,400 in excess contributions to GSP PAC. As GSP PAC and HHLS PAC
8 failed to disclose any affiliated status in their Commission filings, and the contributions likely
9 would not have appeared excessive on their face, there is no basis to infer Santorum 2006 knew it
10 was accepting excessive contributions. Therefore, there is no reason to believe that Santorum
11 2006 violated 2 U.S.C. § 441a(f) by knowingly accepting an excessive contribution from GSP
12 PAC and HHLS PAC.

13 **B. McDonald’s Contribution to Santorum 2006**

14 1. Facts

15 On July 7, 2004, Sean McDonald gave a \$2,000 contribution to GSP PAC that was
16 earmarked for Santorum 2006. See GSP PAC’s 2004 October Quarterly Report. The 2004
17 October Quarterly Report for Santorum 2006 shows a \$2,000 contribution received from
18 McDonald on August 4, 2004. The complaint alleges these reports show McDonald made two
19 contributions, for a total of \$4,000, to Santorum 2006 for the primary election. The Joint
20 Response states that there was actually only one contribution of \$2,000 earmarked to Santorum
21 2006 that flowed through GSP PAC and that was reported by both GSP PAC and Santorum
22 2006, reflecting “both ends of the same transaction.” Joint Response at 13.

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1 2. Analysis

2 The contribution limit for the 2003-2004 election cycle was \$2,000 per election. 2 U.S.C.
3 § 441a(a)(1)(A). Commission records confirm that McDonald made only one \$2,000
4 contribution to Santorum 2006 in 2004.² Therefore, there is no reason to believe that Santorum
5 2006 knowingly violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from Sean
6 McDonald.

² McDonald made the contribution on July 7, 2004, but it was not reported as received by Santorum 2006 until August 4, 2004. While GSP PAC was required to forward the earmarked contribution within ten days, the memorandum entry attached to the 2004 October Quarterly Report shows it was "forwarded in the form of original check on 7/12/2004." This indicates the delay in delivery of the contribution likely occurred in transit.

1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4
5 **RESPONDENT:** Houston Harbaugh Legislative Services PAC **MUR: 5749**
6 and Gregory Harbaugh, in his official capacity as treasurer
7

8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed with the Federal Election Commission
10 (“Commission”) by the Center for Responsibility and Ethics in Washington. *See* 2 U.S.C.
11 § 437g(a)(1). For the reasons set forth below, the Commission finds reason to believe that
12 Houston Harbaugh Legislative Services PAC and Gregory Harbaugh, in his official capacity as
13 treasurer (“HHLS PAC”), violated 2 U.S.C. § 433(b)(2) by failing to disclose its affiliated status,
14 and 2 U.S.C. § 441a(a)(1)(A) by jointly making an excessive contribution.

15 **II. DISCUSSION**

16 **A. Facts**

17 Houston Harbaugh Legislative Services (“HHLS”), a limited liability company, was
18 formed as a joint venture between GSP Consulting Corporation and the Houston Harbaugh law
19 firm, both Pennsylvania corporations, in October 2002; HHLS PAC was its SSF. Joint Response
20 at 8-9.¹ GSP assumed the entire interest of HHLS on December 21, 2005. Joint Response at 9
21 n.2. HHLS PAC’s Statements of Organization did not disclose any affiliation with GSP or GSP
22 Consulting Corporation PAC and John Dick, in his official capacity as treasurer (“GSP PAC”),
23 GSP’s SSF, and GSP PAC’s Statements of Organization likewise did not reflect any affiliation
24 with HHLS or HHLS PAC.

¹ The law firm did not have its own SSF. HHLS PAC terminated on March 22, 2006.

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1 GSP PAC admits, and its disclosure reports show, that it contributed a total of \$4,100 to
2 Santorum 2006 (\$2,000 designated to the primary election, \$2,000 designated to the general
3 election and a \$100 in-kind contribution). Joint Response at 10 n.3. HHLS PAC also admits,
4 and its disclosure reports show, that it contributed a total of \$1,500 in undesignated contributions
5 to Santorum 2006. Joint Response at 10 n.3. Thus, the combined contributions to Santorum
6 2006 from GSP PAC and HHLS PAC total \$5,600.

7 2. Analysis

8 A committee must disclose its affiliated committee's or connected organization's name,
9 address and relationship on its Statement of Organization. 2 U.S.C. § 433(b)(2). "Assuming
10 without conceding that GSP PAC and HHLS PAC qualify as affiliated committees," both admit
11 that they did not notify the Commission of their "putative affiliated status." Joint Response at 12.

12 Affiliated committees include SSFs established, financed, maintained or controlled by the
13 same corporation, person or group of persons, including any parent, subsidiary, branch, division,
14 department or local unit thereof. 11 C.F.R. § 100.5(g)(2). Committees also may be affiliated if
15 certain other factors are met. *See* 11 C.F.R. §§ 110.3(a)(2)-(3). Although the PACs do not
16 wholly concede their affiliation, it is clear they were affiliated at least from December 21, 2005,
17 when GSP assumed the entire interest of HHLS, *see* Joint Response at 9 n.2, until HHLS PAC
18 terminated in March 2006. While we have not located any public information concerning
19 HHLS's ownership percentages and financing outside these dates, because Kuklis and Dick were
20 simultaneously officers or directors of both GSP and HHLS, Joint Response at 9, there are
21 sufficient grounds to investigate whether the two PACs were affiliated at the time of their
22 contributions to Santorum 2006, which occurred prior to December 2005. *See* AOs (discussing

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1 affiliation criteria) 2001-18 (Cingular Wireless); 1997-13 (USA PAC); 1992-17 (Du Pont
2 Merck); 1979-56 (Brunswick).

3 Affiliated committees are subject to the contribution limits that apply to a single
4 committee under 2 U.S.C. § 441a(a)(1). 2 U.S.C. § 441a(a)(5). In 2005, the PAC contribution
5 limit was \$2,100 per election, making \$4,200 the total contribution limit from affiliated
6 committees to a Senate candidate for the 2006 primary and general elections. *See*
7 2 U.S.C. § 441a(c). The two PACs admit that if they were affiliated, they “together contributed
8 in excess of the maximum amount permitted by 2 U.S.C. § 441a(a)(1) and 11 C.F.R. § 110.1(a)
9 to Santorum 2006” by a combined total of \$1,400.² Joint Response at 12. Had either GSP PAC
10 or HHLS PAC been a multicandidate committee, they could have availed themselves of the
11 increased contribution limits set forth in 2 U.S.C. § 441a(a)(2)(A) and avoided making an
12 excessive contribution; however, GSP PAC and HHLS PAC admit they do not qualify as
13 multicandidate committees under 11 C.F.R. § 100.5(e)(3) since their filings demonstrate they
14 each have had fewer than fifty contributors. GSP PAC’s and HHLS PAC’s filings with the
15 Commission show no other jointly excessive contributions.

16 Therefore, there is reason to believe that Houston Harbaugh Legislative Services PAC
17 and Gregory Harbaugh, in his official capacity as treasurer, violated 2 U.S.C. § 433(b)(2) by
18 failing to disclose its affiliated status with GSP Consulting Corporation PAC and John Dick, in
19 his official capacity as treasurer, and 2 U.S.C. § 441a(a)(1)(A) by contributing \$5,600 to
20 Santorum 2006, exceeding the contribution limits by \$1,400.

² Even under the presumptive redesignation regulations, the contributions are still excessive. *See* 11 C.F.R. § 110.1(b)(5)(ii)(B), (C).

1 **FEDERAL ELECTION COMMISSION**
2
3 **FACTUAL AND LEGAL ANALYSIS**
4

5 **RESPONDENT: Sean McDonald**

MUR: 5749

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8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed with the Federal Election Commission
10 (“Commission”) by the Center for Responsibility and Ethics in Washington. *See* 2 U.S.C.
11 § 437g(a)(1). For the reasons set forth below, the Commission finds no reason to believe that
12 Sean McDonald violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to
13 Santorum 2006.

14 **II. DISCUSSION**

15 **A. Facts**

16 On July 7, 2004, Sean McDonald gave a \$2,000 contribution to GSP Consulting
17 Corporation PAC (“GSP PAC”) that was earmarked for Santorum 2006. *See* GSP PAC’s 2004
18 October Quarterly Report. The 2004 October Quarterly Report for Santorum 2006 shows a
19 \$2,000 contribution received from McDonald on August 4, 2004. The complaint alleges these
20 reports show McDonald made two contributions, for a total of \$4,000, to Santorum 2006 for the
21 primary election. The information shows that there was actually only one contribution of \$2,000
22 earmarked to Santorum 2006 that flowed through GSP PAC and that was reported by both GSP
23 PAC and Santorum 2006, reflecting both ends of the same transaction.

24 **B. Analysis**

25 The contribution limit for the 2003-2004 election cycle was \$2,000 per election. 2 U.S.C.
26 § 441a(a)(1)(A). Commission records confirm that McDonald made only one \$2,000

1 contribution to Santorum 2006 in 2004.¹ Therefore, there is no reason to believe that Sean
2 McDonald violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to Santorum
3 2006.

¹ McDonald made the contribution on July 7, 2004, but it was not reported as received by Santorum 2006 until August 4, 2004. While GSP PAC was required to forward the earmarked contribution within ten days, the memorandum entry attached to the 2004 October Quarterly Report shows it was "forwarded in the form of original check on 7/12/2004." This indicates the delay in delivery of the contribution likely occurred in transit.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: James Ciminio

MUR: 5749

I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission (“Commission”) by the Center for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437g(a)(1). For the reasons set forth below, the Commission finds no reason to believe that James Ciminio violated the Federal Election Campaign Act of 1971, as amended (the “Act”).

II. DISCUSSION

A. Facts

The complaint mentions that Ciminio, an employee of a GSP Consulting Corporation (“GSP”) client, made an earmarked contribution through GSP Consulting Corporation PAC (“GSP PAC”), but makes no allegations concerning him. Disclosure reports show that on August 23, 2004, Ciminio made a \$250 earmarked contribution to Tim Murphy for Congress which flowed through GSP PAC. When contacted, Ciminio stated he remembered being solicited by a GSP principal for a fundraiser for Tim Murphy that GSP was sponsoring and making the contribution, but did not know his check was forwarded through GSP PAC, and did not know GSP even had a separate segregated fund.

B. Analysis

An investigation revealed that Ciminio did not violate the Act, and was apparently only mentioned in the complaint as someone who may have been improperly solicited by GSP.

Therefore, there is no reason to believe James Ciminio violated the Act.

1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4
5 **RESPONDENT:** Pittsburgh Airport Area Chamber of Commerce

MUR: 5749

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8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed with the Federal Election Commission
10 (“Commission”) by the Center for Responsibility and Ethics in Washington. *See* 2 U.S.C.
11 § 437g(a)(1). For the reasons set forth below, the Commission finds no reason to believe that the
12 Pittsburgh Airport Area Chamber of Commerce (“PAACC”) violated the Federal Election
13 Campaign Act of 1971, as amended (the “Act”).

14 **II. DISCUSSION**

15 **A. Facts**

16 The complaint mentions that the PAACC, a GSP Consulting Corporation (“GSP”) client,
17 made an earmarked contribution through GSP Consulting Corporation PAC (“GSP PAC”), but
18 makes no allegations concerning the PAACC. Disclosure reports show that on January 12 and
19 February 2, 2004 the PAACC PAC (not the PAACC itself) made earmarked contributions of
20 \$200 and \$50, respectively, to People for Hart, and on August 23, 2004, made a \$250 earmarked
21 contribution to Tim Murphy for Congress. All three contributions flowed through GSP PAC.
22 When contacted, Sally Haas, treasurer of the PAACC PAC, stated she remembered the January
23 12 and August 23 contributions, but did not remember how the PAACC PAC was solicited.

24 **B. Analysis**

25 An investigation revealed that neither the PAACC nor the PAACC PAC violated the Act,
26 and was apparently only mentioned in the complaint as an entity that may have been improperly

- 1 solicited by GSP. Therefore, there is no reason to believe the Pittsburgh Airport Area Chamber
- 2 of Commerce violated the Act.

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